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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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|-------------------------------------|---------------------------|
| ----- | X |
| In re | : Chapter 11 |
| | : |
| DELPHI CORPORATION, <u>et al.</u> , | : Case No. 05-44481 (RDD) |
| | : |
| Debtors. | : (Jointly Administered) |
| | : |
| ----- | X |

**SUPPLEMENTAL OBJECTION OF THE TIMKEN COMPANY AND TIMKEN U.S.
CORP. TO THE DEBTORS' NOTICE OF ASSUMPTION AND/OR ASSIGNMENT OF
EXECUTORY CONTRACT OR UNEXPIRED LEASE TO BUYER IN CONNECTION
WITH SALE OF DEBTORS' BEARINGS BUSINESS**

The Timken Company and Timken U.S. Corp. ("Timken"), by and through their undersigned counsel, hereby submit this supplemental objection (the "Supplemental Objection") to the Debtors' Notice of Assumption and/or Assignment of Certain Executory Contracts and Unexpired Leases (the "Notice").

1. On January 15, 2008, the Debtors filed their expedited motion (the "Sale Motion") seeking authority to establish bidding procedures and sell their bearings business to ND Acquisition Corp. (the "Buyer") or a prevailing bidder (the "Prevailing Bidder"). The Sale Motion also sought authority to assume and assign certain Assumed Contracts and Post-Petition Contracts (each, as defined in the Notice) to the Buyer or the Prevailing Bidder.

2. On January 30, 2008, the Debtors filed the Notice. Attached to the Notice, the Debtors listed one purchase order identified by a number, which purportedly represents a purchase order between Timken and the Debtors. The identifier is set forth below:

| Debtor | Counterparty | Purported Executory Contract | Proposed Cure Amount |
|---------------|------------------------|-------------------------------------|-----------------------------|
| Not indicated | The Timken Corporation | Purchase Order No. 550190077 | Not indicated |

3. On February 11, 2008, Timken filed an objection to the Notice (the "Objection") based on the fact that (i) the Debtors failed to list the Debtor party to the purchase order, any master or ancillary agreements relating to the purchase order, the date of the purchase order, and the cure amount for the purported executory contract sought to be assumed and/or assigned, (ii) Timken had not been able to locate all of the relevant documents, including the purchase order and master and other agreements in connection therewith, and (iii) the Debtors failed to provide Timken with proof of adequate assurance of future performance as required under section 365(b)(1)(C) of the Bankruptcy Code.

4. By this Supplemental Objection, Timken reiterates its request made in the Objection that the Debtors provide adequate assurance of future performance as required under section 365(b)(1)(C) of the Bankruptcy Code with respect to the Prevailing Bidder, Kyklos, Inc. Pursuant to section 365(b)(1)(C), the Debtors are required to demonstrate that the Prevailing Bidder will be capable of performing under any executory contracts it seeks to assume and assign. Thus, by this Supplemental Objection, Timken seeks an adequate amount of time to have discussions with the Debtors and the Prevailing Bidder concerning the Prevailing Bidder's wherewithal to perform under any executory contract with Timken.

5. Timken reserves all of its rights and remedies under the Bankruptcy Code and other applicable law to further object to the assumption and/or assignment of any executory

contracts between Timken and the Debtors on any grounds. Timken further reserves all its rights to object to the Sale Motion and the order approving the Sale Motion.

WHEREFORE, Timken respectfully requests that the Court sustain the Supplemental Objection and grant Timken such other relief as the Court deems just and proper.

Dated: March 4, 2008

Respectfully submitted,

McDERMOTT WILL & EMERY LLP

By: /s/ James M. Sullivan

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